

## **Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Policy**

### **Introduction:**

This Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Policy outlines the commitment of Fasset to combating money laundering and the financing of terrorism. Fasset is dedicated to upholding the highest standards of compliance with relevant laws and regulations to safeguard against financial crime.

### **Objective**

The primary objective of this policy is to establish a robust framework that prevents the misuse of Fasset for money laundering and terrorist financing activities. By adhering to this policy, Fasset aims to maintain the integrity of the financial system and contribute to global efforts to combat financial crimes.

### **Regulatory Background**

As part of our commitment to combat money laundering and terrorist financing, Fasset adheres to a robust Anti-Money Laundering (AML) framework in accordance with the regulatory requirements of all jurisdictions where it operates.

### **Policy Framework**

At Fasset, we have established a comprehensive Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) program throughout our operations, aligning with all local AML regulations and international standards.

The program is structured on a risk-based approach and encompasses the following components:

- Formulating AML/CFT policies and procedures.
- Conducting risk management activities.
- Implementing monitoring and control measures.
- Appointing a Compliance Officer and establishing the Compliance Department.
- Executing training initiatives.
- Undertaking internal control activities.

All Fasset personnel, including the Board and senior management, must strictly comply with the guidelines outlined in the AML Policy.

We employ AML-compliant software specifically designed to fulfill Know Your Customer (KYC) and Customer Due Diligence (CDD) obligations within the digital assets ecosystem. Our strategy involves implementing a range of measures through our AML Compliance Program to safeguard against the utilization of our business for introducing proceeds of crime into the financial system or facilitating financial crimes.

### **Declarations of Anti-Money Laundering Compliance Policy**

Fasset is wholeheartedly dedicated to upholding globally recognized principles of AML-CFT compliance and adhering to both local and international AML laws and regulations. We pledge to incorporate into our procedures the pertinent recommendations provided by entities such as the Financial Crimes Investigation Board (FCIB), Financial Action Task Force

(FATF), Wolfsberg Group, etc., aimed at preventing the misuse of our operations for illicit purposes.

Consequently, we implement necessary procedures and control measures to offer optimal support in the fight against money laundering and the financing of terrorism. Additionally, Fasset is unwavering in its commitment to consistently meet Anti-Money Laundering (AML) obligations for both local and international associates, as well as correspondent banks, which may necessitate due diligence information on accounts and transactions. Fasset will fulfill such obligations in accordance with applicable legislations or regulations to which it is subject and in alignment with the guidelines and recommendations of the FCIB and FATF.

Fasset commits to ongoing examination, review, and updating of its AML policy, processes, and controls while maintaining high standards through reporting, independent audit examinations, and random testing of our AML Compliance Program.

### **Designation of a Money Laundering Reporting Officer**

Fasset consistently designates a Money Laundering Reporting Officer (MLRO) within its workforce, granting them complete responsibility for establishing and sustaining our AML Compliance Program. The MLRO is tasked with executing Fasset's AML Compliance Program, vigilantly monitoring adherence to relevant AML legislations and regulations, supervising the daily functioning of AML systems and controls, creating and executing an apt training program for Fasset employees, and handling the reception and investigation of internal suspicious transaction reports. Additionally, when necessary, the MLRO is responsible for submitting external suspicious transaction reports to the relevant authorities.

### **Customer Identification and Verification**

Before allowing the opening of an account on Fasset and providing access to the Fasset platform, it is mandatory for Fasset to verify each customer's identity and conduct screenings against local and international blacklists, sanctions lists, PEP lists, and adverse media. Fasset rigorously follows its Know Your Customer/Customer Due Diligence procedures and guidelines. This entails taking all necessary measures to ensure the authenticity of its customers and to appropriately identify and mitigate the risks associated with money laundering, financing of terrorism, and other financial crimes.

Fasset conducts due diligence on its customers both before the account opening and continually throughout the business relationship. Fasset reserves the right to refuse the opening of an account or cease a customer's ongoing access to the Fasset platform if the customer fails to meet the initial or ongoing KYC requirements.

### **Establishment of Beneficial Ownership of Funds**

Fasset is obligated under relevant legislation and/or regulations to ascertain the beneficial owner of all transactions conducted on the Fasset platform and/or funds maintained in a Fasset account. Customers are not allowed to represent third parties while engaging in transactions on Fasset. Fasset deems anyone holding an account or conducting transactions through Fasset to be the beneficial owner of the funds in a Fasset account or the transaction executed through Fasset. If a customer is identified as acting on behalf of third parties, Fasset may suspend the customer's ongoing access to the Fasset platform.

## **Enhanced Know Your Customer/Due Diligence**

Enhanced due diligence is carried out when a customer is identified as posing a high Anti-Money Laundering (AML) risk for Fasset or when a transaction raises concerns based on specific red flag indicators. Our client relationship staff will seek additional Know Your Customer (KYC) documents, such as proof of the source of funds or additional identification documents, as deemed necessary to effectively mitigate the risk. In these instances, a thorough due diligence process is undertaken, detailing the expected and actual transaction behavior, along with the ongoing monitoring of transactions that may uncover potentially suspicious activities. Approval from senior management is required before accepting customers with a high AML risk exposure.

## **Ongoing Transaction Monitoring**

Continuously, our platform empowers us to assess the transaction behavior of users while keeping a vigilant eye on the volumes and frequency of their transactions.

In addition to the above, our tools facilitate the identification of red flags based on various parameters utilized for the risk profiling of our customer base, including:

- Occupation/profession
- Expected transaction volumes and frequency
- Age
- Nationality
- Location

Customers identified with a high Anti-Money Laundering (AML) risk exposure undergo more rigorous and frequent ongoing transaction monitoring. Fasset remains committed to utilizing systems that efficiently monitor its customers and all transactions carried out through the Fasset platform. Any suspicious transactions or activities on Fasset are thoroughly investigated.

## **Internal Reporting of Unusual/Potentially Suspicious Transactions**

If any employee becomes aware, suspects, or has reasonable grounds to suspect that an individual is involved in money laundering or activities related to terrorism financing, they must promptly submit an internal suspicious transaction report to the Money Laundering Reporting Officer (MLRO) using our internal reporting system, regardless of the transaction amount.

## **Reporting of Unusual/Suspicious Activities & Transactions**

Upon receiving an internal Suspicious Transaction Report, the MLRO must:

- Investigate the circumstances of the reported activity, accessing relevant Know Your Customer information when necessary.
- Determine whether, in accordance with local Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) laws and regulations, an external Suspicious Transaction Report must be submitted to the relevant FIU.
- If required, submit the external report to the relevant FIU in adherence to local reporting regulations and the firm's internal procedures.

The Compliance Officer/MLRO reports suspicious transactions to the relevant FIU by completing a Suspicious Transaction Reporting Form (STR Form) based on the information and findings obtained during the investigations.

## **Employee Training**

New employees at Fasset undergo mandatory Anti-Money Laundering (AML) training within their first three months to enhance awareness of their AML/CFT obligations as per legislations and regulations. This training equips employees with the necessary instructions to identify suspicious activities. Annual AML training is also provided. Additional training may be offered in response to significant amendments to AML legislations and/or regulations directly affecting Fasset's AML policies and procedures. The aim of our AML training is to foster an AML/CFT compliance culture that becomes ingrained in the activities and decision-making processes of all employees.

AML training materials are thoughtfully tailored to different roles and functions within Fasset, covering:

- Legal obligations and personal responsibilities under laws and regulations.
- Awareness of unique AML/CFT typologies, prevalent techniques, risks, methods, and trends in money laundering to which Fasset is susceptible.
- Recognition of transactions and activities related to money laundering and terrorist financing or that may raise suspicion.
- Understanding the procedures for making an internal report to the Money Laundering Reporting Officer (MLRO).
- Grasping the roles and responsibilities of employees in combating money laundering and preventing the misuse of Fasset platforms by criminals.

## **Internal Security Measures – Know Your Staff**

People Managemet function plays a crucial role in verifying and documenting the reliability of candidates being considered for employment with Fasset, both before onboarding and continuously thereafter. Prior to extending an offer of employment, Fasset conducts due diligence checks on potential candidates, screening them against local and international sanctions lists, blacklists, politically exposed persons (PEP) databases, and adverse media. Employees undergo continuous screening against these various lists throughout their tenure with Fasset. Our Know Your Staff process ensures that, to a reasonable extent, we comprehend a potential employee's background, identify any conflicts of interest, and assess susceptibility to complicity in money laundering (if any).

## **Record Keeping**

Fasset retains records of all information and documentation acquired from its customers during the customer onboarding process and continues to do so throughout the duration of the relationship between Fasset and the customer. These records encompass customers' identification documents, transaction data, and any other pertinent documents. Records are preserved for as long as the customer maintains an account with Fasset and, following the closure or redundancy of the account, for a minimum period of eight years.

## **Confidentiality of Records and Suspicious Transactions**

All customer records and transactional information are maintained with the utmost confidentiality, and customers are not informed if their transactions are deemed suspicious and reported internally to the MLRO or filed as Suspicious Transaction Reports (STRs) or

Suspicious Activity Reports (SARs) to the Financial Crimes Investigation Board (FCIB). Failure to comply with confidentiality provisions, as outlined in any legislation and regulation applicable to Fasset, may constitute a criminal offense and lead to legal consequences for Fasset, its directors, management, and any employees at fault.

### **Role of Internal Audit**

The Internal Audit function evaluates the effectiveness of the AML Compliance Program and conducts random checks on key responsibilities. All findings and observations are thoroughly discussed with the Money Laundering Reporting Officer (MLRO) and subsequently reported to the board of directors.

### **Conclusion:**

Fasset is committed to implementing and enforcing this AML and CFT Policy to prevent and detect money laundering and terrorist financing activities. This policy reflects our dedication to maintaining the highest standards of integrity, transparency, and compliance with all applicable laws and regulations.

*This policy is subject to periodic review and updates to ensure its effectiveness and alignment with evolving AML and CFT standards.*